

# ENVIRONMENTAL PROTECTION

## Overview

**Background.** The California Environmental Protection Agency (Cal-EPA) is charged with implementing federal and state environmental quality standards. This is done through regulatory programs and incentive programs that seek to improve the quality of the environment for all Californians. The Cal-EPA is led by the Secretary for Environmental Protection and the agency oversees the following boards, departments, and office.

### Boards:

- Air Resources Board
- Integrated Waste Management Board
- State Water Resources Control Board  
(including the nine Regional Water Quality Control Boards)

### Departments:

- Department of Pesticide Regulation
- Department of Toxic Substances Control

### Office:

- Office of Environmental Health Hazard Assessment

**Governor's Budget.** The Governor's Budget proposes \$1.4 billion to support Cal-EPA in 2007-08. This is nearly the same as the level of expenditures estimated in the current year. Local assistance is proposed to be reduced by nearly 28 percent.

<b>Total State Fund Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
State Operations	\$ 1,086,310	\$ 1,166,495	\$ 80,185	7.4
Local Assistance	424,349	306,590	-117,759	-27.8
Capital Outlay	4,083	1,000	-3,083	-75.5
<b>Total</b>	<b>\$ 1,514,742</b>	<b>\$ 1,474,085</b>	<b>-\$40,657</b>	<b>-2.7</b>
<b>Funding Source</b>				
General Fund	91,501	85,827	-5,674	-6.2
Special Funds	1,055,450	1,036,792	-18,658	-1.8
Bond Funds	367,791	351,466	-16,325	-4.4
<b>Total</b>	<b>\$ 1,514,742</b>	<b>\$ 1,474,085</b>	<b>-\$40,657</b>	<b>-2.7</b>

### **Highlights**

**Infrastructure Bond.** In November 2006 the voters passed Proposition 1B, Proposition 1E and Proposition 84, which provide a combined \$10.7 billion in general obligation bond funds for resources related uses, such as flood protection, water quality, air quality, and other resource protection. Proposition 1B provides \$1.2 billion for air quality, of which \$200 million is dedicated for school buses. Proposition 1E provides approximately \$4.1 billion for levees and flood protection. Proposition 84 provides \$5.4 billion for water quality, drinking water and supply, flood control, and preservation of rivers and coasts. The Governor's Budget proposes \$351 million from these bond funds for Cal-EPA departments.

In addition to the bonds passed by voters in November 2006, the Governor has proposed as part of the Strategic Growth Plan an additional \$6 billion in infrastructure investments over the next 10 years. New general obligation bonds would provide \$4 billion, while revenue bonds would provide \$2 billion. The Governor is proposing that the \$4 billion in general obligation bonds be placed on the November 2008 ballot. The Governor in his state-of-the-state speech stated that a portion of these proposed bonds would be utilized for two new dams.

**Global Warming Solutions Act Implementation.** The Global Warming Solutions Act of 2006 (AB 32, Nunez and Pavley) requires the reduction of greenhouse gasses to 1990 levels by 2020. The Act makes the State Air Resources Board (ARB) the lead agency in implementation and enforcement. Greenhouse gas reductions will be achieved through the adoption of market-based compliance mechanisms. This Act continues the work of the Climate Change Initiative Action Team. The Governor directed the Secretary of Cal-EPA to coordinate oversight of the efforts to meet these greenhouse gas reduction targets and required a report to the Governor and the Legislature on the progress in meeting these targets starting in January 2006. The Governor's Budget includes \$26.5 million in special funds to implement this Act. The majority of the funding is for the Air Resources Board.

### **Issues**

**Infrastructure Bond.** The Legislature may wish to review how the infrastructure investments proposed in the Governor's Budget will protect and restore the state's environment. Specifically, the Legislature may wish to review how proposed projects are coordinated, how projects are prioritized, and if the amount of funds for particular types of projects is adequate. The Legislature may also want to examine the various departments' ability to expend funds quickly enough to receive the large appropriations that are requested in the Governor's 2007-08 Budget.

**Timing of New Bonds.** The Legislature may wish to evaluate the timing of the proposed \$4 billion general obligation bond for the November 2008 ballot. The departments may not be able to responsibly spend \$10.7 billion in existing bond authority by 2008, and thus the request for voter approval of further funds may not be necessary at that time.

**Oversight of Bond Funds.** The voters of California passed a large general obligation bond package in November 2006. To ensure that the intent of the voters is carried out, the Legislature should carefully monitor how departments spend these bond funds. The Legislature may wish to

consider requiring quarterly status reports to be sent to the budget committees so that the usage of the funds can be tracked by department.

**Global Warming Solutions Act Implementation.** The Governor has identified several actions in the budget to help in meeting the greenhouse gas emissions reduction targets set in the Global Warming Solutions Act of 2006. However, it is not clear that these actions are sufficient to meet these targets. Cal-EPA prepared a Climate Action Team Report that outlined the strategies the departments could undertake to reduce greenhouse gas emissions. Not all of the strategies recommended in the report are being undertaken by the Cal-EPA departments. The Legislature may wish to review the actions recommended by the Climate Action Team Report for further steps that should be taken in order to reach the 2020 target.

## 0555 Secretary for Environmental Protection

**Background.** The Secretary for Environmental Protection heads the California Environmental Protection Agency (Cal-EPA). The Secretary is responsible for overseeing and coordinating the activities of the boards, departments, and office under the jurisdiction of Cal-EPA.

**Governor's Budget.** The Governor's Budget proposes \$10.7 million to support the Secretary for Environmental Protection. This is a 19 percent increase over estimated expenditures in the current year. General Fund support for the Secretary is proposed to increase by about \$118,000.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Support	\$ 13,279	\$ 15,027	\$ 1,748	13.2
<b>Total</b>	\$ 13,279	\$ 15,027	\$ 1,748	13.2
<b>Funding Source</b>				
General Fund	\$ 1,971	\$ 2,089	\$ 118	5.9
Special Funds	7,036	8,636	1,600	22.7
<i>Budget Act Total</i>	<i>9,007</i>	<i>10,725</i>	<i>1,718</i>	<i>19.1</i>
Reimbursements	1,877	1,904	27	1.1
State Water Quality Control Fund	175	177	2	1.1
Environmental Enforcement and Training Account	2,066	2,066	0	0
Environmental Education Account	155	155	0	0
<b>Total</b>	\$ 13,280	\$ 15,027	\$ 1,747	13.2

**Highlights**

**Global Warming Solutions Act Implementation.** The Governor's Budget proposes \$1.4 million in special funds for five positions to coordinate and manage the Global Warming Solutions Act implementation effort.

**Issues**

**Global Warming Solutions Act Implementation.** Although the Air Resources Board is the implementing agency of the Act the Governor's Budget proposes funds for the Secretary for Environmental Protection to coordinate Cal-EPA departments in their work on greenhouse gas reduction. The Legislature may wish to evaluate the workload requirement for the Secretary for Environmental Protection in implementation of the Act.

**3900 Air Resources Board**

**Background.** The Air Resources Board (ARB), along with 35 local air pollution control and air quality management districts, protects the state's air quality. The local air districts regulate *stationary sources* of pollution and prepare local implementation plans to achieve compliance with federal and state standards. The ARB is responsible primarily for the regulation of *mobile sources* of pollution and for the review of local district programs and plans. The ARB also establishes air quality standards for certain pollutants, administers air pollution research studies, and identifies and controls toxic air pollutants.

**Governor's Budget.** The Governor's Budget proposes \$375 million to support the ARB in 2007-08. This is a 23 percent increase from estimated expenditures in the current year due to an increase in available bond funds. General Fund support for the ARB is also increasing by over 50 percent.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Mobile Source	\$ 269,938	\$ 330,468	\$ 60,530	22.4
Stationary Source	43,803	53,033	9,230	21.1
Subvention	10,111	10,111	0	0
Capital Outlay	120	1,000	880	733.3
Administration	11,960	13,926	1,966	16.4
<i>less distributed administration</i>	-11,960	-13,926	-1,966	16.4
<b>Total</b>	<b>\$ 323,972</b>	<b>\$ 394,612</b>	<b>\$ 70,640</b>	<b>21.8</b>
<b>Funding Source</b>				
General Fund	\$ 2,280	\$ 3,435	\$ 1,155	50.7
Special Funds	302,913	275,639	-27,274	-9
Bond Funds	0	96,500	96,500	100
<i>Budget Act Total</i>	<i>305,193</i>	<i>375,574</i>	<i>70,381</i>	<i>23.1</i>
Federal Trust Fund	13,778	13,963	185	1.3
Reimbursements	5,002	5,075	73	1.5
<b>Total</b>	<b>\$ 323,973</b>	<b>\$ 394,612</b>	<b>\$ 70,639</b>	<b>21.8</b>

### Highlights

**Infrastructure Bond.** In November 2006 the voters passed Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 which provides \$1.2 billion for air quality improvement efforts. The Governor's Budget proposes \$96.5 million in Proposition 1B bond funds for the replacement of 535 pre-1987 school buses and retrofits of approximately 1,500 old diesel school buses.

**Global Warming Solutions Act Implementation.** The Governor's Budget proposes \$24.3 million in special funds for 123 new positions, as well as contract and equipment funds to fund greenhouse gas reduction responsibilities given to the ARB by the Global Warming Solutions Act of 2006. These positions would undertake a broad range of planning, regulatory, and enforcement efforts, including inventory development, reporting requirements, completion of a greenhouse gas reduction plan, development and implementation of measures to reduce greenhouse gases, studies and scientific analysis, and program outreach.

**Implement Hydrogen Highway Blueprint.** The Governor's Budget proposes \$6 million in special funds for implementation of the Governor's Hydrogen Highway Blueprint. This funding will continue six expiring positions for the Hydrogen Highway program. This funding would also leverage private matching funds to construct up to twelve publicly accessible hydrogen fueling stations, four of which would utilize renewable hydrogen production technologies.

**Mobile Source Certification.** The Governor's Budget proposes \$1.2 million in special funds for nine new positions to implement new regulations for in-use emissions for light-duty vehicles that go into effect in 2007.

**Diesel Health Risk Management Program.** The Governor's Budget proposes \$1.2 million in special funds for seven new positions to implement regulations adopted to reduce the risk from diesel particulate matter. These positions will assist those affected by the regulation to understand and implement the regulations.

### **Issues**

**Global Warming Solutions Act Implementation.** The Legislature may wish to evaluate the workload requirement for ARB in implementing the Act. The Legislature may also wish to examine the steps that ARB is proposing to take over the next year to ensure that implementation of the Act will proceed on schedule.

**Hydrogen Highway Implementation.** The administration is currently implementing the second year of the Hydrogen Highway Blueprint. Legislation was adopted as part of the 2005-06 budget process to guide this implementation of the Blueprint. The legislation required the administration to utilize at least 33 percent of new or renewable energy resources in the production of hydrogen and to evaluate the impacts of the Blueprint on low-income communities. The Legislature may wish to review the administration's implementation of the Hydrogen Highway Blueprint to determine whether its activities are consistent with this legislation.

**Environmental Enforcement.** In the 2006-07 budget, the Legislature provided the ARB \$4 million for increased enforcement presence and for improving the effectiveness of the board's existing enforcement programs. The Legislature may wish to examine steps the ARB has taken to strengthen its existing enforcement programs.

## **3910 Integrated Waste Management Board**

**Background.** The California Integrated Waste Management Board (CIWMB), in conjunction with local agencies, is responsible for promoting waste management practices aimed at reducing the amount of waste that is disposed in landfills. The CIWMB administers various programs that promote waste reduction and recycling, with particular programs for waste tire and used oil recycling. The board also regulates landfills through a permitting, inspection, and enforcement program that is mainly carried out by local enforcement agencies that are certified by the board. In addition, CIWMB oversees the cleanup of abandoned solid waste sites.

**Governor's Budget.** The Governor's Budget proposes \$198.4 million to support CIWMB in the budget year. This is nearly the same level of support as in the current year. The board does not receive any General Fund support.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Waste Reduction and Management	\$ 201,188	\$ 201,169	-\$19	0
Administration	9,195	9,195	0	0
<i>less distributed administration</i>	-9,195	-9,195	0	0
<i>less loan repayments</i>	-2,042	-2,042	0	0
<b>Total</b>	<b>\$ 199,146</b>	<b>\$ 199,127</b>	<b>-\$19</b>	<b>0</b>
<b>Funding Source</b>				
Special Funds	\$ 198,218	\$ 198,485	\$ 267	0.1
Bond Funds	150	0	-150	-100
<i>Budget Act Total</i>	<i>198,368</i>	<i>198,485</i>	<i>117</i>	<i>0.1</i>
Federal Trust Fund	91	0	-91	-100
Special Deposits Fund	351	307	-44	-12.5
Reimbursements	336	335	-1	-0.3
<b>Total</b>	<b>\$ 199,146</b>	<b>\$ 199,127</b>	<b>-\$19</b>	<b>0</b>

### Highlights

**Global Warming Solutions Act Implementation.** The Governor's Budget proposes \$618,000 in special funds for one new position and contract costs to implement solid waste landfill gas and reduced waste strategies to meet greenhouse gas emission reduction targets. CIWMB is a member of the Climate Action Team.

**Landfill Closure and Post-Closure Maintenance.** The Governor's Budget proposes \$552,000 in special funds for two new positions to implement AB 2296 (Montanez). Specifically, AB 2296 requires a study to determine what conditions could potentially have long-term affects on solid waste landfills and to examine the financial assurance mechanisms to protect the state from long-term post-closure maintenance and corrective action costs at these facilities.

**Education and Environment Initiative.** The Governor's Budget proposes \$695,000 in special funds for 5.5 permanent positions to continue the coordination, development and promotion of environmental education for all elementary and secondary school students.

**Medical Waste Management Act.** The Governor's Budget proposes \$129,000 in special funds for implementation of SB 1305, the Medical Waste Management Act (Figueroa). CIWMB will implement this Act through public education campaigns, mail-back programs, and monitoring and reporting on the state's progress.

**Electronic Waste Recycling Fraud Prevention.** The Governor's Budget proposes \$435,000 in special funds for five permanent positions to implement the Electronic Waste Recycling Act of 2003. The funds would be used to implement fraud prevention and compliance assistance, as well as implement and enhance the recovery and recycling payment system.

**Auditors.** The Governor's Budget proposes \$518,000 in special funds for five positions to conduct financial, performance, and other service audits of oil recycling, tire recycling, and electronic waste recycling.

### ***Issues***

**Consolidating State Recycling Programs.** The LAO has recently recommended consolidating the state's recycling programs under a new Department of Recycling and Waste Prevention at Cal-EPA. Currently, recycling programs are divided between the Department of Conservation and the Waste Board. The LAO finds that the current structure misses opportunities to develop more comprehensive strategies for reducing waste from multiple sources. The Legislature may wish to consider reorganizing the state's recycling programs to consolidate and improve the effectiveness of these programs.

**Waste Tire Enforcement Program.** As part of the 2006-07 Budget, the Legislature required that CIWMB submit, on March 31, 2007, a report providing specific metrics for evaluating the Waste Tire Enforcement Program. The Legislature may wish to review this report for possibly requiring annual performance measures for the program.

## **3930 Department of Pesticide Regulation**

**Background.** The Department of Pesticide Regulation (DPR) administers programs to protect the public health and the environment from unsafe exposures to pesticides. The department: (1) evaluates the public health and environmental impact of pesticides use; (2) regulates, monitors, and controls the sale and use of pesticides in the state; and (3) develops and promotes the use of reduced-risk practices for pest management. The department is funded primarily by an assessment on the sale of pesticides in the state.

**Governor's Budget.** The Governor's Budget proposes \$65.8 million to support the DPR in 2007-08, which is a four percent increase over the level of expenditures as in the current year. The department does not receive any General Fund support.



<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Pesticide Programs	\$ 65,855	\$ 68,884	\$ 3,029	4.6
Administration	9,342	9,368	26	0.3
<i>less distributed administration</i>	-9,342	-9,368	-26	0.3
<b>Total</b>	<b>\$ 65,855</b>	<b>\$ 68,884</b>	<b>\$ 3,029</b>	<b>4.6</b>
<b>Funding Source</b>				
Special Funds	\$ 63,048	\$ 65,849	\$ 2,801	4.4
<i>Budget Act Total</i>	<i>\$ 63,048</i>	<i>\$ 65,849</i>	<i>\$ 2,801</i>	<i>4.4</i>
Federal Trust Fund	2,200	2,229	29	1.3
Reimbursements	606	806	200	33
<b>Total</b>	<b>\$ 65,854</b>	<b>\$ 68,884</b>	<b>\$ 3,030</b>	<b>4.6</b>

### Highlights

**Pesticide Pollution Prevention Grant Program.** The Governor's Budget proposes \$780,000 in special funds for two limited-term positions to implement a limited-term Pesticide Pollution Prevention Grant Program. This grant program will focus on the implementation of integrated pest management practices that reduce or eliminate pollution and pesticide exposure in agricultural and urban environments.

**Eliminate Food Safety Account.** The Governor's Budget proposes to collapse the Food Safety Account into the Department of Pesticide Regulation Fund. The \$316,000 currently in the Food Safety Account would be moved into the DPR Fund with no cost to the state. The DPR Fund is for the enforcement of pesticide laws while the Food Safety Account is for use toward specific pesticide programs.

**Expansion of Healthy Schools Act.** The Governor's Budget proposes \$149,000 in special funds for one position to expand implementation of the Healthy Schools Act to private day care facilities as required by Chapter 865 of the Statutes of 2006 (AB 2865, Torrico). The funds would be used for providing outreach materials and presentations.

**Mitigation of Pesticide Impacts.** The Governor's Budget proposes \$634,000 in special funds for five positions to develop and implement pesticide mitigation measures through the adoption of statewide rules, improved occupational outreach programs, and action on pesticide product registrations.

**Pesticide Enforcement and Compliance Improvements.** The Governor's Budget proposes \$667,000 in special funds for six new positions to provide additional state oversight of field enforcement activities carried out by county agricultural commissioners (CAC) and to establish a training program for conducting CAC hearings.

### ***Issues***

**Department Reorganization.** The 2006-07 Budget Act consolidated the department's two branches into one single branch. The Legislature may wish to evaluate the impact of this reorganization on program delivery and program accountability. Prior to reorganization, there were ongoing concerns regarding the independence of the department's risk assessment activities from its risk management functions. The Legislature may also wish to evaluate the impact of the reorganization on the separation of these functions.

## **3940 State Water Resources Control Board**

**Background.** The State Water Resources Control Board (SWRCB), in conjunction with nine semi-autonomous regional boards, regulates water quality in the state. The regional boards—which are funded by the state board and are under the state board's oversight—implement water quality programs in accordance with policies, plans, and standards developed by the state board.

The board carries out its water quality responsibilities by: (1) establishing wastewater discharge policies and standards; (2) implementing programs to ensure that the waters of the state are not contaminated by underground or aboveground tanks; and (3) administering state and federal loans and grants to local governments for the construction of wastewater treatment, water reclamation, and storm drainage facilities. Waste discharge permits are issued and enforced mainly by the regional boards, although the state board issues some permits and initiates enforcement actions when deemed necessary.

The state board also administers water rights in the state. It does this by issuing and reviewing permits and licenses to applicants who wish to take water from the state's streams, rivers, and lakes.

**Governor's Budget.** The Governor's Budget proposes \$657 million to support the SWRCB in the budget year. This proposal is approximately \$112 million less than current year expenditure levels, mainly due to a reduction in bond funding. General Fund appropriation is expected to stay nearly the same.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Water Quality	\$ 927,734	\$ 823,408	-\$104,326	-11.3
Water Rights	13,642	11,137	-2,505	-18.4
Administration	18,950	18,890	-60	-0.3
<i>less distributed administration</i>	-18,950	-18,890	60	-0.3
<b>Total</b>	<b>\$ 941,376</b>	<b>\$ 834,545</b>	<b>-\$106,831</b>	<b>-11.4</b>
<b>Funding Source</b>				
General Fund	\$ 39,091	\$ 39,102	\$ 11	0
Special Funds	362,715	362,980	265	0.1
Bond Funds	367,641	254,966	-112,675	-30.6
<i>Budget Act Total</i>	<i>769,447</i>	<i>657,048</i>	<i>-112,399</i>	<i>-14.6</i>
Federal Trust Fund	128,877	128,578	-299	-0.2
Reimbursements	9,999	9,999	0	0
State Water Quality Control Fund	23,309	29,495	6,186	26.5
State Water Pollution Control Revolving Fund	-2,682	-2,682	0	0
Petroleum Underground Storage Tank Financing Account	12,426	12,107	-319	-2.6
<b>Total</b>	<b>\$ 941,376</b>	<b>\$ 834,545</b>	<b>-\$106,831</b>	<b>-11.4</b>

### Highlights

**Water Quality Projects.** The Governor's Budget proposes \$132.5 million in various bond funds for local assistance in water recycling, agricultural drainage loans, wastewater construction and other water quality related uses.

**Proposition 84 Local Assistance Funds.** The Governor's Budget proposes \$105.2 million in Proposition 84 bond funds for 18 personnel and local assistance grants in water pollution control, agricultural water quality, urban storm-water runoff reduction, and clean beaches programs.

**Watershed Protection and Basin Planning.** The Governor's Budget proposes \$6.1 million in Proposition 84 bond funds for 12 personnel and local assistance. The funds would be used toward a pilot grant program for local agencies to update their general plans to incorporate watershed protection efforts into their land use policy. In addition, the funds would be used for

scientific contracts to incorporate water quality basin plans into the next update of the California Water Plan.

**Brownfields Funding Initiative.** The Governor's Budget proposes \$3.1 million in special funds for 25 new positions to increase cleanup of brownfields and to convert backlogged sites to cost recovery.

**Underground Storage Tank Cleanup Fund Augmentation.** The Governor's Budget proposes \$12.9 million in special funds for cleanup of brownfields and orphan sites.

**Regulating Confined Animal Facilities.** The Governor's Budget proposes \$1.1 million in special funds for regulation of confined animal facilities in the San Joaquin region, where there are over 1,500 dairies. These funds will be used for regulation, including inspections, of new and existing confined animal facilities. These funds will also be used for studies to provide scientific data on the impact of animal waste and associated waste chemicals on ground and surface water from the dairies and other confined animal facilities, such as swine facilities.

**Wastewater Regulatory Programs.** The Governor's Budget proposes \$4 million (\$1.3 million General Fund) for the National Pollutant Discharge Elimination System (NPDES) program support. These funds are requested since the State Water Board redirected the funds that were supporting the program to other uses.

**Sanitary Sewer Overflow Reduction Program.** The Governor's Budget proposes \$384,000 in special funds for the administration of the Sanitary Sewer Overflow Reduction Program.

**Leviathan Mine Pollution Abatement Project.** The Governor's Budget proposes \$582,000 General Fund for two positions for pond water treatment, removal and disposal of sludge, and water monitoring at the Leviathan Mine.

### **Issues**

**Infrastructure Bonds.** The Governor's Budget proposes a large amount of general obligation bond funds for the Water Board. However, there is no list of projects provided as part of this funds request. The Legislature may wish to examine the Water Board's plan for expending these funds and the project prioritization criteria that will be used. The Legislature may also wish to examine how project accountability will be measured.

## **3960 Department of Toxic Substances Control**

**Background.** The Department of Toxic Substances Control (DTSC) regulates hazardous waste management, cleans up or oversees the cleanup of contaminated hazardous waste sites, and promotes the reduction of hazardous waste generation. The department is funded by fees paid by persons that generate, transport, store, treat, or dispose of hazardous wastes; environmental fees levied on most corporations; the General Fund; and federal funds.

**Governor's Budget.** The Governor's Budget proposes \$144 million to support the DTSC in 2007-08. This is 2.5 percent less than estimated expenditures in the current year. This reduction is due to a decrease in General Fund appropriations.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Site Mitigation and Brownfields Reuse	\$ 102,137	\$ 106,047	\$ 3,910	3.8
Hazardous Waste Management	66,999	65,711	-1,288	-1.9
Science, Pollution Prevention, and Technology	10,593	11,178	585	5.5
State as Certified Unified Program Agency	1,199	1,271	72	6
Capital Outlay	3,963	0	-3,963	-100
Administration	31,475	33,217	1,742	5.5
<i>less distributed administration</i>	-31,475	-33,217	-1,742	5.5
<b>Total</b>	<b>\$ 184,891</b>	<b>\$ 184,207</b>	<b>-\$684</b>	<b>-0.4</b>
<b>Funding Source</b>				
General Fund	\$ 32,453	\$ 25,321	-\$7,132	-21.9
Special Funds	115,480	118,953	3,473	3
<i>Budget Act Total</i>	<i>147,933</i>	<i>144,274</i>	<i>-3,659</i>	<i>-2.5</i>
Federal Funds	26,567	27,801	1,234	4.6
Reimbursements	10,391	10,632	241	2.3
Stringfellow Insurance Proceeds Account	0	1,500	1,500	100
<b>Total</b>	<b>\$ 184,891</b>	<b>\$ 184,207</b>	<b>-\$684</b>	<b>-0.4</b>

### Highlights

**Global Warming Solutions Implementation.** The Governor's Budget proposes \$115,000 for one position to identify potential toxic releases or unintended environmental consequences of hazardous waste facilities.

**Stringfellow Hazardous Waste Site Management.** The Governor's Budget proposes \$3.7 million (\$2.2 General Fund augmentation) for the operation and maintenance of the Stringfellow Hazardous Waste Site, as well as continuation of the site's removal and remediation activities.

**Laboratory Infrastructure and Equipment.** The Governor's Budget proposes \$978,000 in special funds and Toxic Substances Control Account funds to purchase equipment for the Environmental Chemistry Laboratory.

**Pollution Prevention and Compliance.** The Governor's Budget proposes \$451,000 in special funds for 3.5 positions to implement pollution prevention concepts, best management practices, training and outreach to proactively reduce the use of chemicals of concern. Specifically, these positions would work on reducing metals in packaging and lead in children's jewelry.

**Environmental Contaminant Biomonitoring Program.** The Governor's Budget proposes \$123,000 General Fund to begin implementation of portions of SB 1379 (Perata). SB 1379 establishes the California Environmental Contaminant Biomonitoring Program to monitor the presence and concentration of designated harmful chemicals. These funds would be used for planning the development of the program.

**Treated Wood Waste.** The Governor's Budget proposes to redirect \$431,000 in special funds for 4.5 positions and one temporary position to evaluate and collect data on treated wood waste. These funds would also be used toward the establishment of an inspection and enforcement program to ensure proper management of hazardous treated wood waste, as well as outreach and guidance to businesses and households.

**Hazardous Materials Collection.** The Governor's Budget proposes \$219,000 in special funds and reimbursements for two positions for urban environment clean-ups. These funds will be used for technical and administrative management of on-going projects as well as oversight and investigation of additional sites.

**Environmental Fee Collection.** The Governor's Budget proposes \$268,000 in special funds to fund the increased costs of the Interagency Agreement with the Board of Equalization for collection of the Environmental Fee.

**Glendale Regional Office Move.** The Governor's Budget proposes \$1.9 million in special funds and reimbursements for expenses related to moving the Glendale Regional office to its new location.

## 3980 Office of Environmental Health Hazard Assessment

**Background.** The Office of Environmental Health Hazard Assessment (OEHHA) identifies and quantifies the health risks of chemicals in the environment. It provides these assessments, along with its recommendations for pollutant standards and health and safety regulations, to the boards and departments in the California Environmental Protection Agency and to other state and local agencies. The OEHHA also provides scientific support to environmental regulatory agencies.

**Governor's Budget.** The Governor's Budget proposes \$14 million to support the OEHHA in the budget year. This is a slight increase in funding from the estimated expenditures in the current year due to new budget proposals. General Fund support for the OEHHA remains relatively unchanged in the budget year.

<b>Summary of Expenditures</b>				
<i>(dollars in thousands)</i>	<b>2006-07</b>	<b>2007-08</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Type of Expenditure</b>				
Health Risk Assessment	\$ 17,072	\$ 17,459	\$ 387	2.3
Administration	3,263	3,266	3	0.1
<i>less distributed administration</i>	-3,263	-3,266	-3	0.1
<b>Total</b>	<b>\$ 17,072</b>	<b>\$ 17,459</b>	<b>\$ 387</b>	<b>2.3</b>
<b>Funding Source</b>				
General Fund	\$ 8,782	\$ 8,933	\$ 151	1.7
Special Funds	6,040	6,250	210	3.5
<i>Budget Act Total</i>	<i>14,822</i>	<i>15,183</i>	<i>361</i>	<i>2.4</i>
Federal Trust Fund	500	514	14	2.8
Reimbursements	1,749	1,762	13	0.7
<b>Total</b>	<b>\$ 17,071</b>	<b>\$ 17,459</b>	<b>\$ 388</b>	<b>2.3</b>

### Highlights

**Additional Proposition 65 Funding.** The Governor's Budget proposes \$203,000 in special funds to augment the department's Proposition 65 program. These funds will be used to support two positions and two limited-term positions to develop Proposition 65 regulations and provide legal support.

**Environmental Contaminant Biomonitoring Program.** The Governor's Budget proposes \$167,000 General Fund for three positions to plan for the implementation of SB 1379 (Perata). SB 1379 establishes the California Environmental Contaminant Biomonitoring Program to monitor the presence and concentration of designated harmful chemicals.

**Toxicologist.** The Governor's Budget proposes \$125,000 in special funds for one position to complete and update toxic endpoint analysis of regulated hazardous chemicals, provide technical expertise for the periodic revision of the list of regulated chemicals and the threshold quantities, and to assist Cal-EPA in hazardous substance management standards.